

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

DOCKET NOS. 2013-298-E & 2016-149-E

In Re:

Application of Duke Energy Carolinas,
LLC for Approval of New Cost
Recovery Mechanism and Portfolio of
Demand-Side Management and Energy
Efficiency Programs)

**JOINT REPORT OF
DUKE ENERGY CAROLINAS, LLC
AND DUKE ENERGY PROGRESS, LLC**

Application of Duke Energy Progress,
LLC Requesting Approval of Its
Proposed Home Energy Improvement
Program HEIP-6)

Pursuant to Order No. 2019-400 issued in Docket Nos. 2013-298-E and 2016-149-E, Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP”) (together, the “Companies”) file for information this Joint Report related to the Companies’ Residential Smart Saver Energy Efficiency Programs. In Order No. 2019-400, the Commission encouraged the Companies to provide information related to how many customers took advantage of the programs, what, if any, savings members of the program experienced, and any and all customer feedback regarding the benefits and difficulties associated with the programs.

REPORT

The Smart Saver programs, which were approved in 2013 for DEC and 2016 for DEP as part of the Companies’ respective portfolios of energy efficiency programs,¹ offer residential

¹ DEP’s Smart Saver program was originally known as the Residential Home Energy Improvement Program, and was renamed “Smart Saver” in 2017. See Order No. 2017-621, Docket No. 2016-149-E (Oct. 6, 2017).

customers rebates to encourage upgrading to more energy efficient heating, ventilation, and air conditioning (“HVAC”) systems. Smart Saver rebates cover a portion of the incremental costs customers incur when they choose to purchase heat pumps with an efficiency rating above the minimum standard, heat pump water heaters, new duct work, attic insulation, and/or high efficiency pool pumps.

Customer participation in the state has been modest but steady, in large part due to the significant upfront costs associated with the installation of the measures included in the programs. The following table shows the number of measures installed due to Smart Saver rebates over the past three program years in South Carolina:

	DEC	DEP
2016	3,112	632
2017	5,224	954
2018	4,349	855

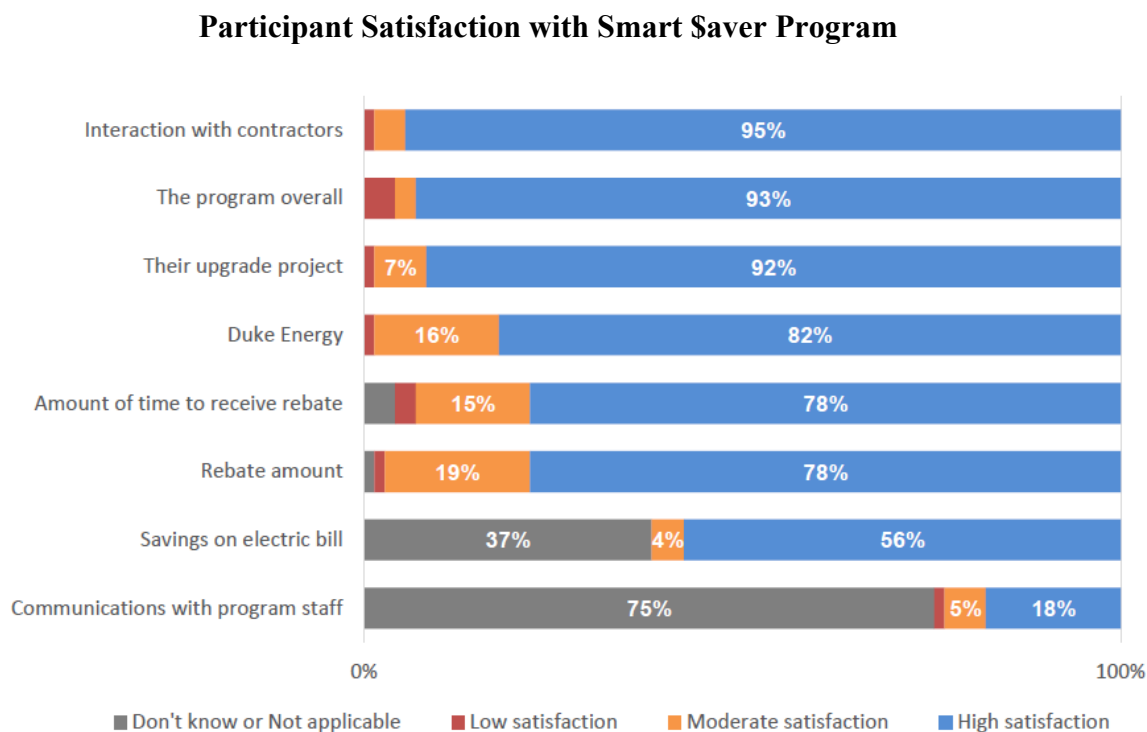
The system-wide savings, as reported in the Companies’ most recent energy efficiency and demand-side management (“EE/DSM”) rider filings, are as follows:

	System Reduction to Summer Peak (kW)	System Energy Reduction (kWh)	System NPV of Avoided Cost
2016 DEC	2,462	6,294,837	\$8,020,083
2017 DEC	1,850	6,712,977	\$7,785,926
2018 DEC	1,640	6,367,174	\$8,733,688

	System Reduction to Summer Peak (kW)	System Energy Reduction (kWh)	System NPV of Avoided Costs
2016 DEP	1,904	6,289,383	\$6,972,005
2017 DEP	1,975	7,357,987	\$7,508,572
2018 DEP ²	-	-	-

² 2018 DEP savings figures are being finalized and will be filed as part of the 2019 DEP EE/DSM rider filing.

The Companies' program management staff and their independent evaluators solicit feedback from trade allies and customers regarding their experiences participating in the Smart \$aver program in general and in the trade ally referral network in particular. For the most part, the feedback has been positive. On surveys collected since 2016, customers in South Carolina that used Duke's trade allies to install their equipment gave the trade allies a score of 4.4 out of 5 for their professionalism and value. The following chart from DEC's most recent third-party evaluator report filed in Docket No. 2019-89-E shows overwhelming customer satisfaction with the Smart \$aver program³:



Although most participants in the Smart \$aver programs were highly satisfied with their experience, the Companies have received some limited negative feedback related to the performance of third party contractors in the Companies' trade ally network, including, for

³ DEP's program has not yet been evaluated.

example, messy application of spray foam insulation and poor communication between the contractor and the customer. Based on the overall positive feedback received from customers, however, the Companies believe that these were isolated cases. At the night hearing held in the Upstate related to Docket No. 2019-319-E, one customer voiced concern that contractors within DEC's trade ally network were unable to provide a lower cost estimate for the installation of a highly specialized air filtration system and was disappointed that DEC did not have more trade allies available for this type of work in his area. The Companies contract with trade allies to install rebated equipment in order to ensure that the equipment operates as designed and that savings are achieved as expected. The Companies take the responsibility of recommending trade allies to customers very seriously and hold them to the highest standards of certification and professionalism. In addition to being licensed, bonded, and insured, trade allies must run comprehensive security checks on all employees who could reasonably be expected to enter a customer's home, including criminal background checks, drug screenings, driving record checks, military record reviews, and social security number verifications. Additionally, no contractor can remain in the Companies' trade ally networks if they have any unresolved customer complaints or if they fail to pass 95% of their quality assurance inspections on the first try. These measures give the Companies and their customers confidence that the necessary work will be performed safely, professionally, and in a way to ensure that the intended energy efficiency savings will be achieved. Currently, there are approximately 33 trade allies in DEP territory and 66 trade allies in DEC territory that install HVAC equipment. In total, 80 trade allies in DEP and 142 trade allies in DEC install all measures included in the Smart Saver programs in South Carolina.

CONCLUSION

The Companies appreciate this opportunity to provide supplemental information to the Commission on the Residential Smart \$aver programs, and the Companies are willing to provide additional information if and when requested.

DUKE ENERGY PROGRESS, LLC DUKE ENERGY CAROLINAS, LLC

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